

2016 PROPOSED OPERATING & ENTERPRISE FUND BUDGET RECOMMENDATIONS

City of Clarkston Budget Public Hearing

The Big Picture

Total proposed FY 2016 All Funds Expenditure Budget:

FY15 = \$5,427,427

FY16 = \$5,737,461

5.7% Increase

- **FY 2015 All Funds Budget:**
- **General Fund**
 - Grants Fund
 - HOST Fund
 - Storm Water (Enterprise Fund)
 - Sanitation (Enterprise Fund)
 - Federal Seizure Fund
 - City Seizure Fund

The total proposed FY 2016 Revenue Budget for all funds is

\$5,737,461

“Balanced Budget”

The Big Picture

**The combined General Fund budget for:
FY 2016 = \$5,103,811**

- Operating Budget Categories
 - ▣ General Fund Operating - \$4,265,070
 - ▣ Capital Projects - \$479,600
 - ▣ Grant Funded Projects - \$164,000
 - ▣ Debt Service - \$191,141
 - ▣ Community Fund - \$4,000

- Segregation of these expenditure types will allow for a more transparent budgeting process

Administration

- Total Expenditures decreased
 - ▣ \$1,283,074 to **\$924,204**

- Group health insurance
 - ▣ FY 2015 - \$275,844 **FY 2016 - \$374,148**
 - 35% increase
 - 7.3% of total General Fund expenditures

- Retirement
 - ▣ FY 2015 - \$176,460 **FY 2016 - \$201,926**
 - 14.4% increase
 - 7.3% of total General Fund expenditures

Administration



- Moving Business License Billing & Collection in House
- Added Accountant Position
 - Increased workload due to additional businesses added through annexation
 - Assist with accounts receivable, accounts payable
 - Focus on revenue collections
 - Occupational Tax gross receipts
 - Beer, wine & liquor taxes (Excise Tax)

Police Services

- Staffing FY15
 - ▣ Added six (6) new patrol officers
 - ▣ Added one (1) new patrol sergeant
 - ▣ Added one (1) new detective

- Staffing Recommendations FY16
 - ▣ Maintained minimum 4 police officer vacancies in FY15
 - ▣ Freeze 3 of 4 vacant police officer positions

Police Services

- Increase Patrol Division shift manpower
 - ▣ Go to four teams working 12 hour shifts
 - Currently using three 8 hour shifts
 - Sergeants assigned to each shift

Public Works

- Recommend adding one (1) new Equipment Operator position & one (1) new part-time Custodian position
 - ▣ Current Public Works Department staffing
 - Public Works Director
 - Two (2) Crew Leaders
 - One (1) CDL Driver/Equipment Operator
 - Four (4) Laborers
- Justification
 - ▣ Increased public right-of-way maintained due to annexation
 - ▣ Increased number of facilities maintained
 - ▣ Increased efficiency through separation of janitorial vs. laborer job duties

Public Works

- Equipment
 - ▣ No Backhoe Loader in current inventory
 - ▣ Current Skid Steer is 17 years old
 - ▣ Added Backhoe Loader & Skid Steer in late FY15
 - \$142,486
 - ▣ Lease payments begin in FY16
 - ▣ Added one (1) Riding Mower
 - \$8,000
 - Increased ROW maintenance due to annexation
- Projects
 - ▣ New electrical wiring for Milam Park pavilions
 - \$15,000

Public Works

- Contract to provide mowing and maintenance of the CSX right-of-way will continue in FY 2016 budget
 - ▣ \$28,000 budgeted

- Pool management and operations
 - ▣ \$45,000 budgeted

Planning & Development



□ FY 2016

- Continue to utilize contracted services for the following:
 - Code enforcement
 - Fire code inspections
 - Building inspections
 - On-call Planning & Engineering Services
 - \$167,500 allocated for Professional Services

Capital Projects

□ Streetscape Project

- Estimated expenditures FY 2016 - \$350,000
 - City responsible for engineering, design, environmental assessment and possibly right-of-way acquisition in FY 2016
 - 80% of construction costs covered by FHWA grant
 - No construction expenditures until 2017
- FY 2016 expenses covered by \$2 million GTIB loan from State Road and Toll-way Authority

Capital Projects

- August 6, 2013, City Council approves multiyear Sidewalk Improvement Plan
 - ▣ Projects to be completed in phases over 3 years
- Phase I completed in 2014
 - ▣ Montreal Rd from N. Indian Creek to E. Ponce de Leon Ave
 - ▣ North Indian Creek Various improvements
- Phase I(a) commenced in late 2015
 - ▣ East Ponce de Leon Ave from Montreal Rd to West Smith St
- FY 2016 Phase II
 - ▣ Estimated project cost - \$190,000
 - ▣ **\$64,000 LMIG funding & \$45,000 HOST funding**
 - ▣ **\$81,000 budgeted in FY 2016**

Enterprise Funds

- Storm Water Utility Fund
 - ▣ Ongoing storm water management program
 - ▣ Rate unchanged
 - ▣ Estimated revenue increase due to annexation
 - \$177,050 to \$179,600 annually
 - Budget assumes \$80,000 carried over to FY 2016

Enterprise Funds

- Sanitation Fund
 - ▣ Rate unchanged - \$185.40
 - ▣ Approximately 86 additional households added due to annexation
 - ▣ FY 2016 Projected expenditures & revenues set at \$185,000
 - ▣ Anticipate Waste Management fee increase in FY 2017
 - ▣ Consider increasing fee in FY 2017 to cover fee increases, collection shortages, administrative costs and equipment replacement

Grant Funds

- The City of Clarkston applied for and received three (3) grant awards that will be received in FY 2016
 - ▣ 50,000 – Minority Youth Violence Prevention
 - ▣ \$64,000 - Local Maintenance & Improvement (LMIG)
 - ▣ \$50,000 – GDOT “Gateway Improvement” grant fund
 - Interstate 285 & Church St. exit ramp

Revenue

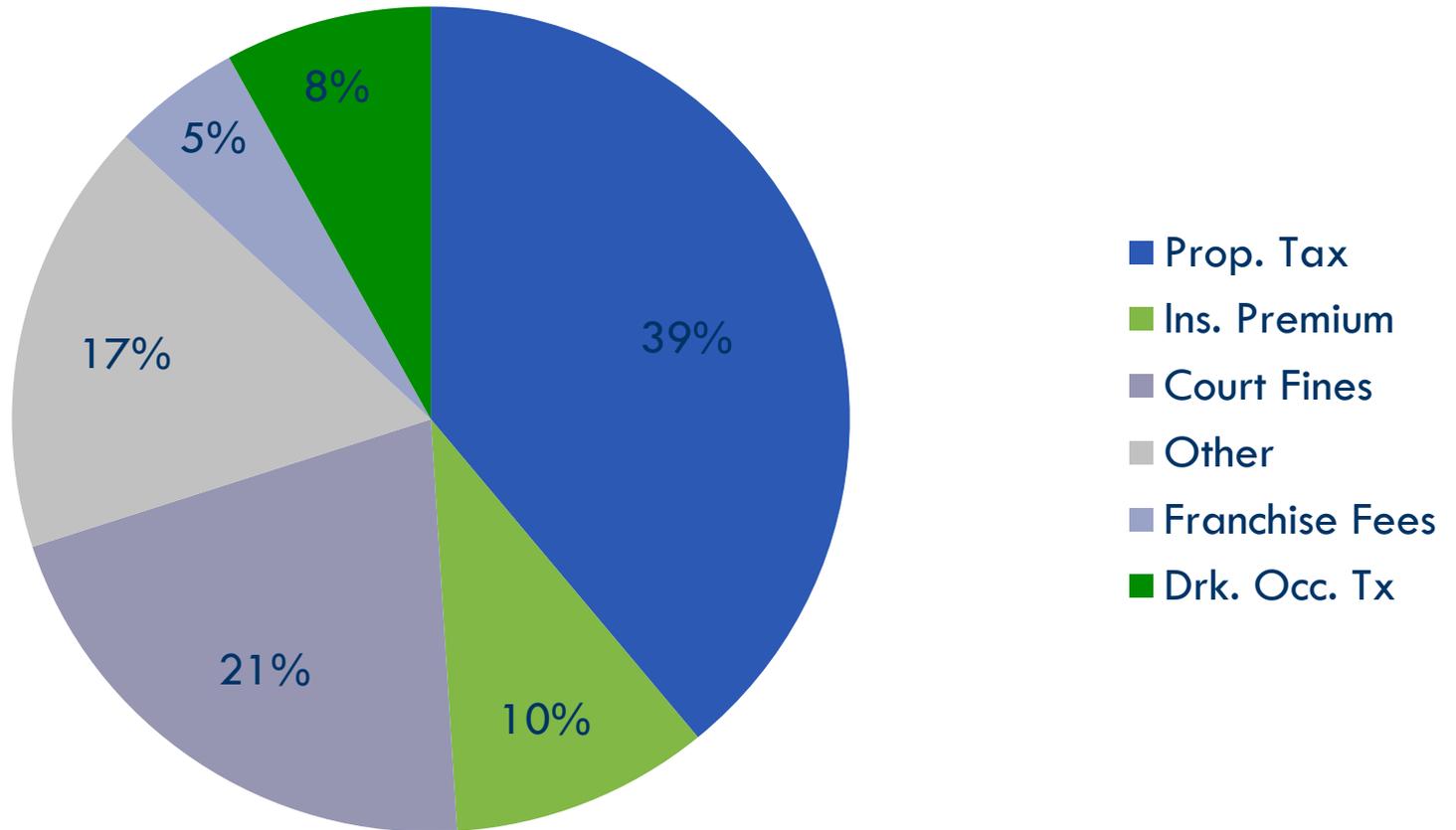
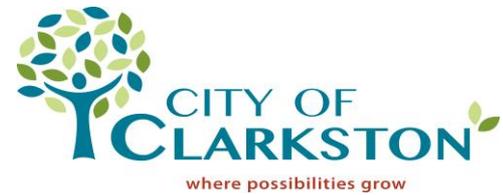
□ **FY 2016 General Fund Revenue Estimate - \$5,737,461**

- \$310,034 or 5.7% increase

Revenue Enhancements

- Annexation
 - Business/Occupational Taxes, Alcohol Beverage Excise Taxes, Local Option Mix Drink Taxes estimates increased from **2.8% in Fy14 to 8% in FY 16**
 - Broadened and diversified tax base
 - Approximately \$500,000 impact across all revenue fund types
- Audit quarterly gross receipt reports
 - City has not required strict adherence to city ordinances that govern reporting and remittance of these funds
- Monitor property tax collections at end of year
 - Ensure property collection % thresholds – DeKalb Co.

FY 16 Revenues By Category



Potential Millage Rate Impact

- Estimating revenues and expenditures with annexation challenging
 - No trend or historical data
- Determining potential future millage rate challenging
 - City will not receive the 2016 Net Digest figures until May of 2016
 - Millage rate set in June
 - Accuracy of revenue estimates not confirmed until end of year
 - property tax revenue not received until September, October November of 2016.
- **Current budget estimates assume current millage rate maintained unless there is an increase in the digest or decrease in expenditures**

Questions?